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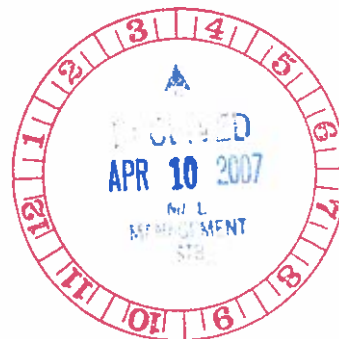
KARL MORELL

kmorell@bjllp.com

April 10, 2007

BY HAND DELIVERY

Victoria Rutson  
Chief  
Section of Environmental Analysis  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423



Re: STB Docket No. AB-570 (Sub-No. 2X), Palouse River & Coulee City Railroad, Inc. – Abandonment Exemption – In Latah County, Idaho

Dear Ms. Rutson:

Attached please find 10 copies of the Revised Environmental Report and Revised Historic Report in the above-captioned matter. Palouse River & Coulee City Railroad expects to file its Petition for Exemption in about 20 days.

Sincerely,

Karl Morell

Enclosures

**REVISED ENVIRONMENTAL REPORT**  
**(49 C.F.R. 1105.7)**  
**Docket No. AB-570 (Sub-No. 2X)**  
**PALOUSE RIVER & COULEE CITY RAILROAD, INC.**  
**--ABANDONMENT EXEMPTION--**  
**IN LATAH COUNTY, IDAHO**



**(1) Proposed Action and Alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.**

Palouse River & Coulee City Railroad, Inc. ("PRCC"), proposes to abandon its 0.2-mile rail line between mileposts 85.91 and 86.11, in Moscow, Idaho (the "Line"). Upon receipt of abandonment authority, PRCC intends to remove the rail, track material, and crossties. There is one bridge at the end of the Line.<sup>1</sup> The bridge and the land underneath the bridge are owned by Gritman Medical Center ("Gritman"). To the best of PRCC's knowledge, Gritman will likely remove the bridge once this abandonment is consummated as part of the expansion of its Medical Center.

The proposed abandonment will not change rail freight operations or maintenance practices on the Line. No local or overhead traffic is being handled on the Line. There currently are no active rail shippers located along the Line. The last active shipper on the Line, Moscow Idaho Seed Company, shipped one carload in early 2006 before closing its facility on the Line. All former overhead traffic has been rerouted over a parallel line.

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<sup>1</sup> There are two tracks on the bridge: the line being abandoned and the remaining segment of a spur track that was used to serve a former shipper. The remaining segment of the spur track

The only alternative to abandonment would be not to abandon the Line and forcing PRCC to absorb the opportunity costs of retaining this inactive Line. This would not be a prudent use of carrier resources. The Line is in poor condition and in need of substantial rehabilitation.

Maps of the proposed abandonment are attached hereto as Exhibit 1.

**(2) Transportation System. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.**

No passenger or freight traffic will be diverted to other modes as a result of the proposed abandonment. No local traffic has been handled on the Line for over a year. All former overhead traffic has been rerouted over a parallel line. Since the Line no longer handles rail traffic, the proposed abandonment will have no adverse effects on regional or local transportation systems and patterns.

**(3) Land Use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies. (ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land. (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9. (iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.**

(i) PRCC does not consider the proposed abandonment to be inconsistent with existing land use plans. PRCC contacted the Latah County Commissioners. See Exhibit 2. No response

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will also be removed as part of the planned salvage operations. The abandonment of the spur track, however, does not require prior Board approval. *See* 49 U.S.C. § 10906.

to this inquire has been received to date. A copy of this Revised Report has been mailed to the appropriate local and state agencies for their information and comment.

(ii) PRCC notified the U.S. Soil Conservation Service (“Conservation Service”) of the proposed abandonment and requested assistance in identifying any potential effects on prime agricultural land. See Exhibit 3. According to the Conservation Service, the area where the Line is located is not subject to the Farmland Protection Policy Act. See Exhibit 4. A copy of this Revised Report is being supplied to the U.S. Soil Conservation Service for its information and further comment.

(iii) The Line does not pass through a designated coastal zone.

(iv) The Line traverses an urban area that has an adequate road and highway network.

Therefore, there is little or no likelihood that the rail corridor is needed for a transit or highway corridor.

**(4) Energy.** (i) Describe the effect of the proposed action on transportation of energy resources. (ii) Describe the effect of the proposed action on recyclable commodities. (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why. (iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

(i) The proposed abandonment will have no effect on the transportation of energy resources.

(ii) The proposed abandonment will have no effect on the transportation of recyclable commodities.

(iii) The proposed abandonment will have no effect on overall energy efficiency as no local or overhead traffic has been handled on the Line for over one year.

(iv) The proposed abandonment will not cause any diversions of rail traffic to motor carriage, since no local or overhead traffic has been handled on the Line for over one year.

**(5) Air.** (i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. § 10901 (or § 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in sub-section (5)(i)(A) will apply. (ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either: (A) an increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line; (B) an increase in rail yard activity of at least 20 percent (measured by carload activity); or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. § 10901 (or 49 U.S.C. § 10505), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

(i) The proposed abandonment will not result in meeting or exceeding the specified thresholds.

(ii) The proposed abandonment will not result in meeting or exceeding the specified thresholds.

(iii) The proposed abandonment will not affect the transportation of ozone depleting materials.

**(6) Noise.** If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more; or (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

Not applicable

**(7) Safety.** (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings). (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials. (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

(i) The proposed abandonment will have no detrimental effects on public health and safety. The removal of grade crossings and the associated signs and structures will enhance public safety by eliminating distractions to vehicular traffic crossing the Line.

(ii) The proposed abandonment will not affect the transportation of hazardous materials.

(iii) There are no known hazardous material waste sites or sites where known hazardous material spills have occurred on or along the rail corridor of the Line.

**(8) Biological Resources.** (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects. (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

(i) PRCC notified the U.S. Fish and Wildlife Service of the proposed abandonment and requested assistance in determining whether endangered or threatened species or areas designated as a critical habitat are likely to be adversely affected. See Exhibit 5. The U.S. Fish and Wildlife Service has not identified any issues that indicate that consultation under Section 7 of the Endangered Species Act of 1973, as amended, is needed for the proposed abandonment. See Exhibit 6. A copy of this Revised Report is being supplied to the U.S. Fish and Wildlife Service for its information and further comment.

(ii) PRCC does not believe that any wildlife sanctuaries or refuges, National or State parks or forests would be adversely affected by the proposed abandonment. PRCC notified the National Parks Service of the proposed abandonment and requested assistance in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests. See Exhibit 7. To date, no response to this request has been received. A copy of this Revised Report is being supplied to the National Park Service for its information and comment.

**(9) Water.** (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies. (ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects. (iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

(i) PRCC is confident that the proposed abandonment will be consistent with applicable water quality standards. PRCC contacted the Idaho Department of Environmental Quality (“DEQ”) and the U.S. Environmental Protection Agency concerning this matter requesting assistance in determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 8. To date, only the DEQ has responded. See Exhibit 9. DEQ has identified a number of project requirements and concerns that need to be addressed before the Line is salvaged. PRCC intends to consult with DEQ before any salvage operations commence. A copy of this Revised Report is being supplied to the U.S. Environmental Protection Agency and the DEQ for their information and further comment.

(ii) PRCC is confident that no designated wetlands or 100-year flood plains will be adversely affected by the proposed abandonment. PRCC contacted the Corps of Engineers concerning these matters. See Exhibit 10. The Corps determined that no Army permit will be required for this project. See Exhibit 11. A copy of this Revised Report is being supplied to the U.S. Army Corps of Engineers for its information and further comment.

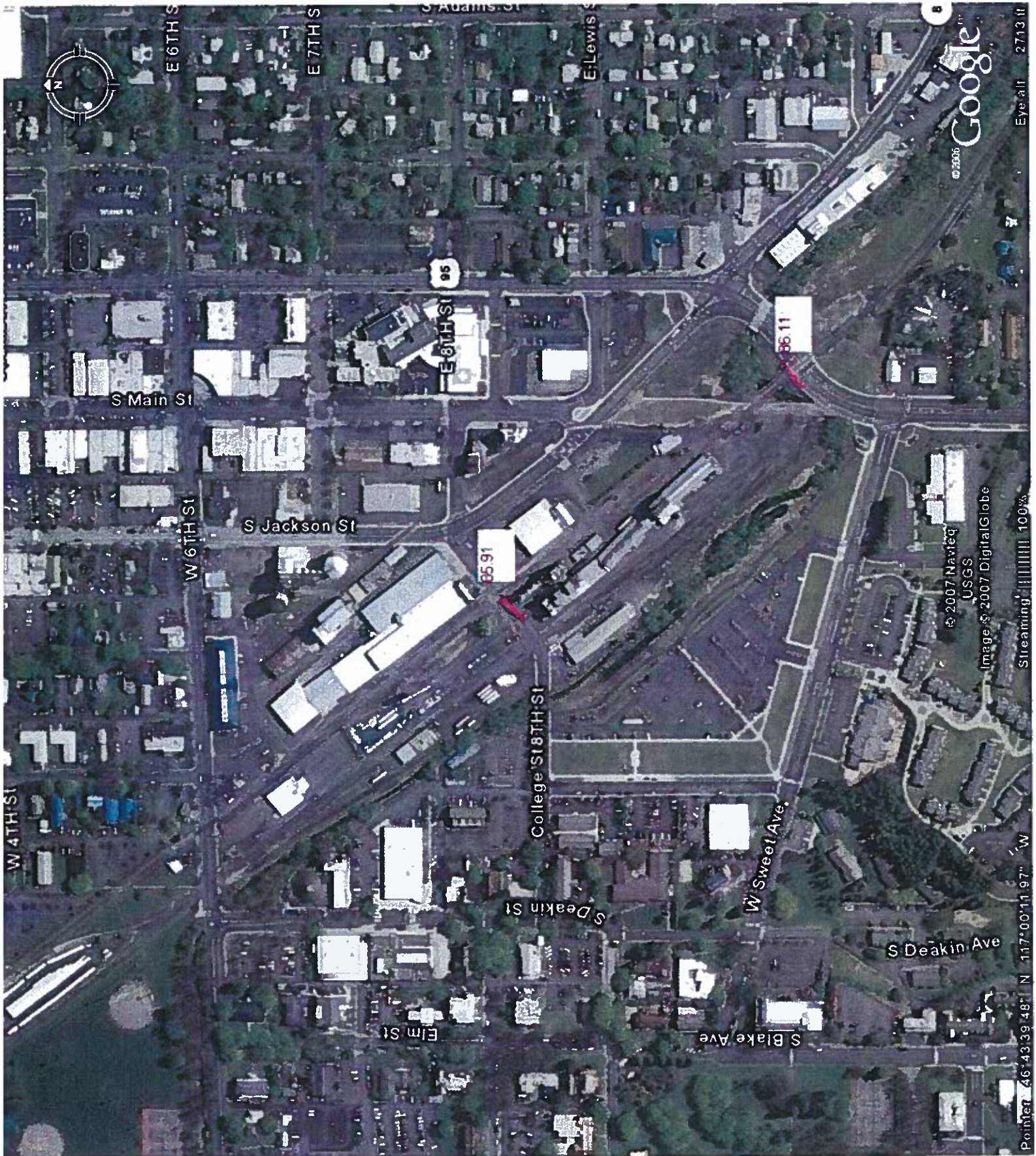
(iii) PRCC contacted the U.S. Environmental Protection Agency concerning this matter and requested assistance in identifying any potential effects on applicable water quality standards and determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 8. To date, no response to this letter has been received. A copy of this Revised Report is being supplied to the U.S. Environmental Protection Agency for its information and comment.



**(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.**

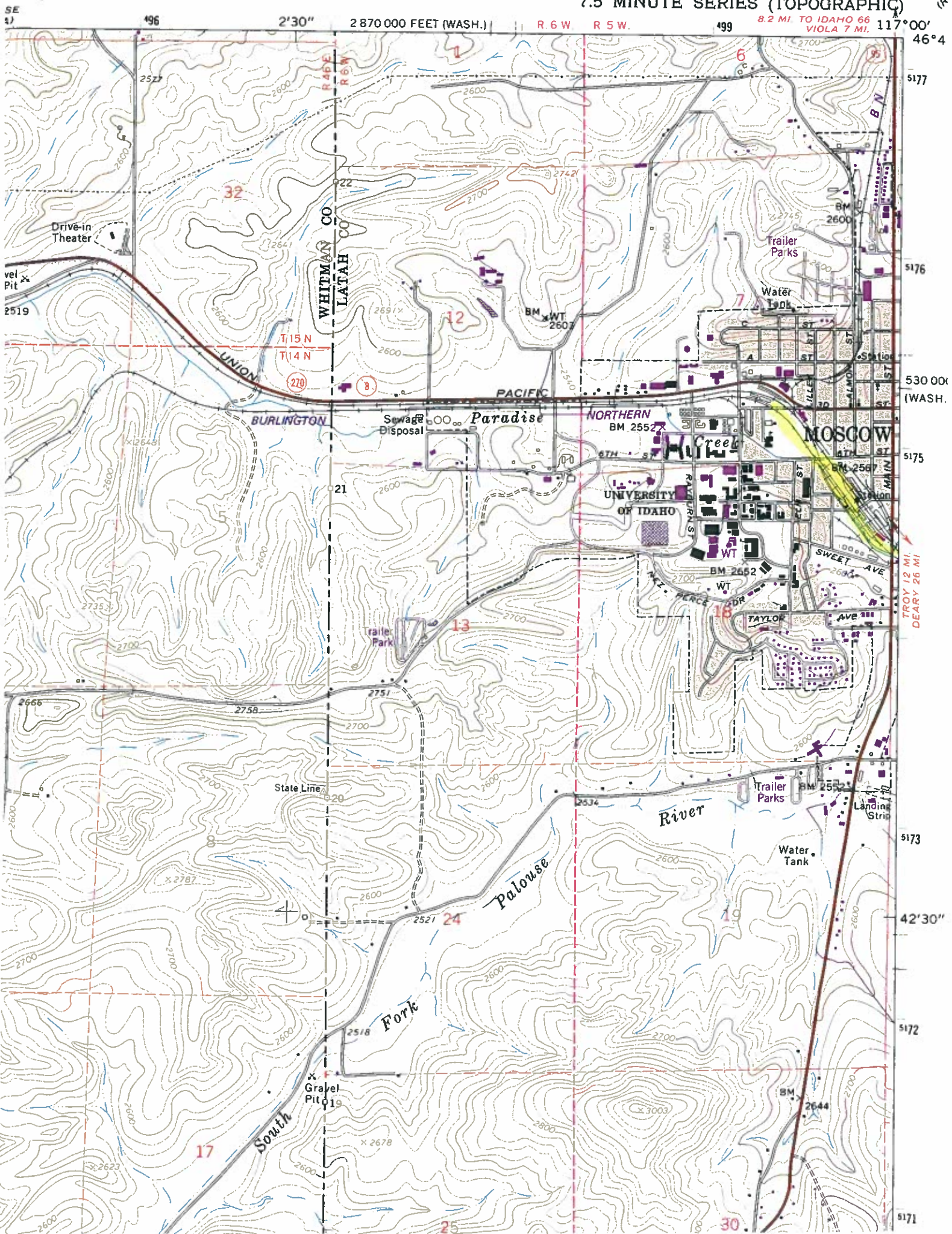
PRCC does not expect any adverse environmental impact from the proposed abandonment and, therefore, sees no need for any mitigating actions. PRCC will, of course, adhere to any remedial actions suggested by the recipients of this Report and required by the Board.







# 7.5 MINUTE SERIES (TOPOGRAPHIC)



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KARL MORELL  
OF COUNSEL

[kmorell@bjllp.com](mailto:kmorell@bjllp.com)

November 20, 2006

Latah County Commissioners  
P.O. Box 8068  
Moscow, ID 83843

**RE: Docket No. AB-570 (Sub-No. 2X), Palouse River & Coulee City  
Railroad, Inc.--Abandonment Exemption--In Latah County,  
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about December 21, 2006, for PRCC to abandon the 0.74-mile rail line located between mileposts 85.72 and 86.46, at Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on existing land use plans. We must determine whether the proposed abandonment is inconsistent with existing land use plans.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

**BALL JANIK LLP**

November 20, 2006

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

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KARL MORELL  
OF COUNSEL

kmorell@bjllp.com

November 20, 2006

USDA Natural Resources Conservation Service  
9173 West Barnes Drive, Suite C  
Boise, ID 83709

**RE: Docket No. AB-570 (Sub-No. 2X), Palouse River & Coulee City  
Railroad, Inc.--Abandonment Exemption--In Latah County,  
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about December 21, 2006, for PRCC to abandon the 0.74-mile rail line located between mileposts 85.72 and 86.46, at Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on prime agricultural land.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

November 20, 2006

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

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Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.



Natural Resources Conservation Service  
9173 W. Barnes Dr., Suite C  
Boise, ID 83709-1574

November 28, 2006

Karl Morell  
Attorney for:  
Palouse River & Coulee City Railroad, Inc.  
1455 F Street, NW, Suite 225  
Washington, D.C. 20005

Dear Mr. Morell:

We received your request for information concerning lands subject to the Farmland Protection Policy Act as part of the Palouse River & Coulee City Railroad, Inc's, application to abandon a .74-mile rail line located between milepost 85.72 and milepost 86.46 in Moscow, Latah County, Idaho.

By definition, land cannot be prime farmland if the land is already in or committed to urban development or water storage. Farmland "already in" urban development or water storage includes all such land with a density of 30 structures per 40-acre area. The area of the proposed action by the Palouse River & Coulee City Railroad, Inc is in an area that contains more than 30 structures per 40 acres and therefore is not subject to the Farmland Protection Policy Act.

We appreciate the opportunity to comment on this proposed action. If you have any questions, feel free to contact Hal Swenson, Assistant State Soil Scientist for NRCS in Idaho. Hal's telephone number is 208-378-5728 or e-mail at [Hal.Swenson@id.usda.gov](mailto:Hal.Swenson@id.usda.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Dick Sims", followed by the printed text "ACTING".

RICHARD SIMS  
State Conservationist

cc: David Hoover, State Soil Scientist, NRCS, Boise SO  
Hal K. Swenson, Assistant State Soil Scientist, NRCS, Boise SO  
Bruce Knapp, Soil Scientist, NRCS, Moscow, ID  
Patrick Evans, District Conservationist, NRCS, Moscow, ID



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**KARL MORELL  
OF COUNSEL**

**kmorell@bjllp.com**

**November 20, 2006**

**U.S. Fish and Wildlife Service  
911 N.E. 11<sup>th</sup> Avenue  
Portland, OR 97232-4181**

**RE: Docket No. AB-570 (Sub-No. 2X), Palouse River & Coulee City  
Railroad, Inc.—Abandonment Exemption—In Latah County,  
Idaho**

**Dear Sir/Madam:**

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about December 21, 2006, for PRCC to abandon the 0.74-mile rail line located between mileposts 85.72 and 86.46, at Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in determining whether it is likely to adversely affect endangered or threatened species or areas designated as a critical habitat.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

November 20, 2006

Page 2

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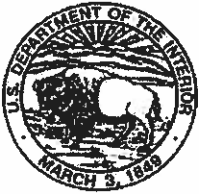
Sincerely,

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Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.



United States Department of the Interior  
FISH AND WILDLIFE SERVICE

Snake River Fish and Wildlife Office  
1387 S. Vinnell Way, Room 368  
Boise, Idaho 83709  
Telephone (208) 378-5243  
<http://IdahoES.fws.gov>



Karl Morell  
Attorney at Law  
Ball Janik LLP  
1455 F Street, NW, Suite 225  
Washington, D.C. 20005

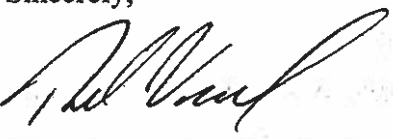
DEC 05 2006

Subject: Palouse River and Coulee City Railroad—Latah County, Idaho—Species  
List  
File #970.300 2007-SL-0152

Dear Mr. Morell:

The Fish and Wildlife Service (Service) is writing in response to your request for information about the potential impacts to endangered, threatened, proposed, and/or candidate species, or proposed critical habitat from the proposed railroad abandonment project. The Service has not identified any issues that indicate that consultation under section 7 of the Endangered Species Act of 1973, as amended, is needed for this project. This finding is based on our understanding of the nature of the project, local conditions, and/or current information indicating that no listed species are present. If you determine otherwise or require further assistance, please contact the Snake River Fish and Wildlife Office at (208) 378-5243. Thank you for your interest in endangered species conservation.

Sincerely,

  
Jeffery L. Foss, Field Supervisor  
Snake River Fish and Wildlife Office

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KARL MORELL  
OF COUNSEL

kmorell@bjllp.com

November 20, 2006

National Park Service  
One Jackson Center  
1111 Jackson Street, Suite 700  
Oakland, CA 94607

**RE: Docket No. AB-570 (Sub-No. 2X), Palouse River & Coulee City  
Railroad, Inc.--Abandonment Exemption--In Latah County,  
Idaho**

Dear Sirs:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about December 21, 2006, for PRCC to abandon the 0.74-mile rail line located between mileposts 85.72 and 86.46, at Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

November 20, 2006

Page 2

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Sincerely,

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Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

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November 20, 2006

Administrator  
Department of Environmental Quality  
P.O. Box 83720  
1410 North Hilton  
Boise, ID 83706-1255

**RE: Docket No. AB-570 (Sub-No. 2X), Palouse River & Coulee City  
Railroad, Inc.--Abandonment Exemption--In Latah County,  
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Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality standards. PRCC does not believe any permits under Section 402 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

November 20, 2006

Page 2

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Attorney for:

Palouse River & Coulee City Railroad, Inc.

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November 20, 2006

U.S. Environmental Protection Agency  
1200 Sixth Avenue  
Seattle, WA 98101

**RE: Docket No. AB-570 (Sub-No. 2X), Palouse River & Coulee City  
Railroad, Inc.--Abandonment Exemption--In Latah County,  
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Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.



STATE OF IDAHO  
DEPARTMENT OF  
ENVIRONMENTAL QUALITY

**EXHIBIT 9**

1118 F STREET • LEWISTON, ID 83501 • (208) 799-4370

JAMES E. RISCH, GOVERNOR  
TONI HARDESTY, DIRECTOR

December 19, 2006

Karl Morell  
Ball Janik LLP  
1455 F Street, NW, Suite 225  
Washington, D. C. 20005

RE: Comments Docket No. AB-570 (Sub-No.2X), Palouse River & Coulee  
City Railroad, Inc.-Abandonment Exemption-In Latah County, Idaho

Dear Mr. Morell:

The Lewiston Regional Office of the Department of Environmental Quality has received your request on behalf of Palouse River & Coulee City Railroad Great Northwest Railroad, Inc. for assistance in identifying possible water quality issues involved with the above mentioned project.

We appreciate the opportunity to review this project, and believe the railroad abandonment project provides the opportunity to coordinate our efforts to identify and produce an inventory of potential environmental quality problem areas that may arise from the abandonment of this section of railroad line. This letter does not constitute a Clean Water Act Section 401 certification and additional or different considerations and conditions may be specified in connection with the Department's review of specific activities. Currently, we have identified the following water quality and environmental project requirements and concerns.

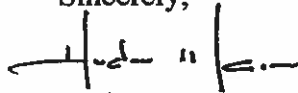
1. Water quality protection will need to be carefully addressed since the proposed abandonment crosses and is adjacent to Paradise Creek. Paradise Creek is identified in the Idaho State Water Quality Standards as Waterbody ID 17060108CL005\_02, urban boundary to Idaho/Washington border. The waterbody is currently listed in Section 4 of the Idaho 2002 Integrated Report as impaired due to bacteria, siltation, thermal modification, flow alteration, habitat alteration, ammonia and nutrients, and is included in the Paradise Creek TMDL and the Idaho State Water Quality Management Plan. The Paradise Creek Total Maximum Daily Load lists allowable pollutant load allocations. Your project will need to comply with the allowable pollutant load allocations listed in the Total Maximum Daily Load.

2. The location of the abandonment is an industrial site and adjacent to a site mitigated for the presence of hazardous materials where known hazardous materials were stored and spills occurred. A hazardous material remediation plan, which includes DEQ notification, should be put in place to address hazardous material remediation if these substances are discovered during abandonment.
3. A Clean Water Act Section 402 Storm Water National Pollution Discharge Elimination Permit and an accompanying Storm Water Pollution Prevention Plan should be provided for the site during abandonment activities.

We suggest information be presented in a report that fully characterizes the site and the concerns we have raised and the hazard risk to water and the environment resulting from any activities associated with the railroad line abandonment activity. The report should be submitted to the Department to determine if additional or different considerations and conditions may be specified in connection with the Department's review of specific activities.

Thank you for the opportunity to provide further comment on this project. If you would like to discuss these comments or have any questions please contact the Lewiston Regional Office at (208) 799-4370.

Sincerely,



Hudson Mann  
Acting Regional Administrator

Cc: Toni Hardesty, Director, Department of Environmental Quality  
Curt Fransen, Idaho Attorney General Office  
Don Howell IPUC/Boise

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225  
WASHINGTON, D.C. 20005

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TELEPHONE 202-638-3307  
FACSIMILE 202-783-6947

KARL MORELL  
OF COUNSEL

kmorell@bjllp.com

November 20, 2006

U.S. Army Engineer District, Walla Walla  
201 North Third Avenue  
Walla Walla, WA 99362-1876

**RE: Docket No. AB-570 (Sub-No. 2X), Palouse River & Coulee City  
Railroad, Inc.—Abandonment Exemption—In Latah County,  
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about December 21, 2006, for PRCC to abandon the 0.74-mile rail line located between mileposts 85.72 and 86.46, at Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on designated wetlands or 100-year flood plains. PRCC does not believe any permits under Section 404 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

November 20, 2006  
Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with the first name "Karl" being more prominent than the last name "Morell".

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.



REPLY TO  
ATTENTION OF

**DEPARTMENT OF THE ARMY**  
WALLA WALLA DISTRICT, CORPS OF ENGINEERS  
201 NORTH THIRD AVENUE  
WALLA WALLA, WASHINGTON 99362-1876

**EXHIBIT 11**

January 24, 2007

Regulatory Division

SUBJECT: NWW-2007-75-W02

Mr. Karl Morell  
Ball Janik LLP  
Suite 225  
1455 F Street NW  
Washington, D.C. 20005

Dear Mr. Morell

We reviewed the Palouse River & Coulee City Railroad's proposed railroad abandonment in Moscow, Idaho, Docket No. AB-570, which is described in your January 17, 2007 letter. Based on the information you provided, your work will not involve a discharge of dredged or fill material below the ordinary high water mark of Paradise Creek or in wetlands. Therefore, a Department of the Army permit will not be required for your project.

This determination applies only to Department of the Army permits administered by the Corps of Engineers. Your project may also require permits from other Federal, state, and local agencies. In addition, your project may require a permit from your local city or county zoning office if they adopted a local floodplain management ordinance under the National Flood Insurance Program. You should contact these agencies to obtain any necessary permits prior to starting construction.

We are interested in your thoughts and opinions concerning the quality of service you received from the Walla Walla District, Corps of Engineers Regulatory Division. If you have Internet access and are interested in letting us know how we are doing, you can complete an electronic version of our Customer Service Survey form on our web site at: <http://per2.nwp.usace.army.mil/survey.html> which will be automatically submitted to us. Alternatively, you may call and request a paper copy of the survey which you may complete and return to us by mail or fax.

Please contact me at 509-527-7156 if you have any questions.

Sincerely,

Duane E. Mitchell  
Regulatory Project Manager